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USDOC FOR 3131/USFCS/OIO/ANESA/KREISSL
USDOC FOR 4530/MAC/ANESA/OSA
ICE HQ FOR STRATEGIC INVESTIGATIONS
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: [ETTC](#) [ETRD](#) [BEXP](#) [IN](#)

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: OIL AND NATURAL
GAS CORP. LTD., KOLKATA, LICENSE NO. D347565.

REF: USDOC 04980

11. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

12. Export Control Officer (ECO) Michael Rufe and BIS FSN Kavita Vihj conducted a Post-shipment Verification (PSV) at Oil and Natural Gas Corp. Ltd. (ONGC), Kolkata, on October 12, 2006.

13. BIS requested a PSV at ONGC, a Public Sector undertaking. ONGC was listed as the ultimate consignee and end-user for one Model Altix 3700 BX2 Upgrade/Reconfigure to two existing Altix 3700 controlled under ECCN 4A003. CMS Computers Ltd. (CMS) was listed as the Foreign Purchaser. The license applicant was Silicon Graphics Inc. (SGI), Mountain view, CA.

14. Rufe met for approximately 2.5 hours with M. Das (Das), Deputy General Manager-Incharge Regional Computer Center, Himadri Ghose (Ghose), Chief Geophysicist(s), Ashok Kumar Diwakar (Diwakar), Chief Engineer (E&T), Padmini Kavikondala (Kavikondala), Executive Engineer (E&T), and Amit Kar (Kar), Supretending Engineer, ONGC. The meeting was facilitated by Deputy Secretary (AMS) Viraj Singh (Singh), Ministry of External Affairs (MEA), GOI. Singh was also present at the meeting.

15. This was the first USG or BIS official visit to ONGC's Regional Computer Center (RCC) in Kolkata. ONGC officials were aware of the BIS export license conditions. They provided a copy of the ONGC Purchase Order, CMS Tax Invoice, ONGC's End-Use statement, Nuclear Certificate, Remote Access statement, High Performance Computer (HPC) Security & Safeguard Plan (SSP), Form BIS-711, SGI Shipping Invoice, SGI Packing Slip, SGI Comprehensive EPCI, End-Use and Remote Access Statements, list of Riders and Conditions apply to Export License D347565 and SGI System Installation Report.

16. Das gave a brief overview of ONGC and its various activities. Das stated on January 1, 2005, ONGC issued only one Purchase Order to CMS for an Altix 3700 BX2 system with 32 processors. On May 31, 2005, ONGC received the shipment in two parts, 24 processors and 8 processors. SGI's shipping invoice dated March, 24, 2005 to CMS confirms the same listing ECCN 4A994 and NLR for each. The ONGC officials had no idea why they received the shipment in two parts. On July 15, 2005, SGI partitioned the 24 processors and 8 processors during installation. On September 27, 2005, ONGC requested SGI connect the 24 processors with the 8 processors into shared memory as originally requested in their purchase order. Only at that stage did SGI inform ONGC that they would require a license from DOC to upgrade/reconfigure the system into 32 processors. On January 20, 2006, SGI provided license approval documents and license conditions for ONGC signature. On January 26, 2006, SGI informed that they had

received the license approval from DOC. ONGC then had CMS integrate the 32 CPUs. During this period, all 32 CPUs were lying unused in ONGC's computer room.

¶7. Das confirmed the stated end-use of the SGI Altix 3700 32-processor server installed in the RCC. The system has been installed mainly for processing of seismic data. The seismic data acquired by ONGC (offshore as well as onshore) is brought to RCC's Processing Section in magnetic storage devices. The data is then processed using Time and Depth application software (Focus & Geodepth) from Paradigm Geophysical, Australia. Once a project is loaded in the system, consisting of Terabytes of data, the job submitted can run for months. The seismic data processed from this system is then handed over to the Interpretation Section of the RCC. It is a stand-alone server.

¶8. Das stated that the RCC runs in three shifts. They are using an existing Security Safeguard Plan (SSP) to safeguard access to the computer system and have included an access plan whereby login passwords are given only to eight ONGC Geophysicists including the systems administrator. The Altix 3700 server and computer terminals connected to it are operating in a secure area. ONGC maintains a usage log. After the meeting the ECO was given a brief tour of the computer room and was able to record the server's serial number.

¶9. Established in 1956, ONGC has been instrumental in transforming India's limited upstream sector into a large viable playing field, with its activities spread throughout India and significantly in overseas territories. In the inland areas, ONGC found new resources in Assam and established new oil province in Cambay basin (Gujarat), while adding new petroliferous areas in the Assam-Arakan Fold Belt and East coast basins (both inland and offshore). ONGC went offshore in early 70's and discovered a giant oil field in the form of Bombay High. ONGC's overseas arm ONGC Videsh Limited (OVL) projects are spread out in Vietnam, Russia, Sudan, Iraq, Iran,

Lybia, Syria, Myanmar, Australia, and Ivory Coast. It is further pursuing Oil and gas exploration blocks in Algeria, Australia, Indonesia, Nepal, Iran, Russia, UAE and Venezuela.

¶10. ONGC's RCC in Kolkata was established in 1987, is one of six RCCs throughout India. This RCC focuses mainly on processing offshore data for locating viable undersea oil and gas deposits. They employ approximately 80 personnel.

¶11. Recommendation: All indications were that the listed commodity is used in accordance with the terms of the export license and that the Oil and Natural Gas Corp. Ltd. appears to be a reliable recipient of sensitive U.S.-origin technology for this transaction. (MRUFE) Pyatt